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SUBJECT: USAU: AFRICAN LABOR AND SOCIAL AFFAIRS LEADERS
DISCUSS GLOBAL CRISIS

¶1. (U) On October 1, U.S. Mission to the African Union (USAU) Ambassador Michael Battle, A/DCM, and PolOff attended the Seventh Ordinary Session of the African Union Labor and Social Affairs Commission held at AU headquarters in Addis Ababa. The conference theme was "Impact of the Global Crisis on Employment and Labor Markets in Africa." Held annually, this year's meeting aimed to give AU member states, Regional Economic Communities, and partners a forum to discuss current challenges in employment, labor, and migration.

¶2. (U) Representatives of the Pan-African Employers' Confederation (PEC), the International Labor Organization (ILO), and the Economic Community of West African States (ECOWAS) made statements at the opening session. Noting the conference theme, representatives spoke about the negative effect of the world financial crisis on Africa, particularly given the continent's dependence on outside sources of revenue, such as tourism, remittances, and development assistance. Several speakers mentioned the steep increase in unemployment with a loss of four million jobs in Africa, affecting mostly women and youth. The OATUU speaker urged Africans to use the crisis as an opportunity to shift to a people-centered paradigm that addresses basic needs first. The ECOWAS representative spoke of the need to implement skills acquisition programs to help reduce unemployment.

¶3. (U) Vincent Joel Kibwana of Tanzania also gave remarks as the representative of the previous Labor and Social Affairs Commission Chairperson. He reiterated the negative impact of the global economic downturn in Africa, and listed several measures "to inject dynamism into the economy." These included cutting interest rates on short-term loans; promoting agriculture, construction and small-to-medium enterprises; improving the legal and fiscal environment; establishing funds to create and preserve jobs in certain sectors (for example, textiles); and using microfinance to develop labor-intensive opportunities. He also noted that accountability, democratic oversight, transparency and responsibility were key to correcting systemic market failures. Furthermore, Kibwana emphasized that the crisis is not an excuse to lower standards and destroy jobs. On the contrary, international labor standards should be guaranteed.

¶4. (U) In a press conference following the opening ceremony, AU Commissioner for Social Affairs Bience Gawanas said she expected the Commission to pass resolutions on the promotion of the informal economy, migration, and productivity. The draft report of the Experts' Meeting, however, reveals that few resolutions were adopted. Many recommendations emerged, though they tended not to be concrete or easily actionable. Informal sector recommendations, for example, included conducting debates on social protection and medical insurance, highlighting links between informal and formal economies, and improving data on the informal economy. While the global crisis was a stated theme, it received equal

attention to other agenda items.

15. (SBU) Comment: USAU came away with the impression that the Labor and Social Affairs Commission session involved a lot of dialogue and reference to past initiatives, but was more of an opportunity for participants to share experiences than to devise specific steps to improve employment conditions and the labor market in Africa. End Comment.
MUSHINGI